

**ENFIELD TOWN COUNCIL
MINUTES OF A SPECIAL MEETING
MONDAY, OCTOBER 5, 2020**

A Special Meeting of the Enfield Town Council was called to order by Chairman Ludwick on Monday, October 5, 2020. The meeting was called to order at 5:30 p.m.

ROLL-CALL – Present were Councilors Cekala, Hemmeler, Kiner, Ludwick, Mangini, Muller, Riley, Sferrazza, Szewczak and Unghire. Councilor Bosco entered after the meeting began. Also present were Town Manager, Christopher Bromson; Assistant Town Manager, Kasia Purciello; Town Clerk, Suzanne Olechnicki; Town Attorney, James Tallberg; Director of Finance, John Wilcox; Chief Technology Officer, Paul Russell; Director of Public Works, Donald Nunes; Director of Development Services, Laurie Whitten.

CONNECTICUT GREEN BANK

Present from the Connecticut Green Bank were Mackey Dykes and Emily Basham.

Discussion followed about the Solar Municipal Assistance Program.

Mr. Dykes explained the Green Bank helps support Connecticut's clean energy goals by helping to pay for the needed projects to meet the clean energy goals. He stated they are publicly funded and created. He noted they partner with private investors to help pay for these projects.

He stated they created a Solar MAP Program to help municipalities realize their solar goals. He noted it is run in conjunction with CSW Energy, which is a Connecticut-based solar engineering firm.

Mr. Dykes stated the Green Bank Solar Power Purchase Agreement is a financing tool, so they can cover 100% of the cost to help municipalities go solar. He noted they have done many projects around the state through that program.

He stated they've learned that financing isn't the only barrier to making a solar project happen because municipalities or homeowners don't have the expertise or time to figure out a solar project, and that is where Solar MAP comes in. He noted they can develop solar proposals and do all the diligence required to make sure that a project is feasible, and they would then put together a project proposal for review. He stated at that point, they would come up with estimates as to what solar savings could be.

Mr. Dykes stated if a town wishes to move forward with a project, the Green Bank runs an RFP to find contractors to build the project. He noted Green Bank works with multiple towns to bundle together projects, so they're able to get more attractive pricing. He pointed out they are currently working with seven towns, and they have 24 projects.

Ms. Basham explained the contract between the Green Bank and a municipality that makes a project happen. She noted they have learned that municipalities are attracted to using a power purchase agreement, as opposed to actually purchasing systems themselves. She stated a power purchase agreement is an agreement between the Connecticut Green Bank and a municipality. She

explained the Green Bank is a seller of electricity, and the municipality would be the procurer of energy. She stated under this arrangement the Green Bank owns all of the solar systems, and they are responsible for constructing and monitoring them. She noted under a power purchase agreement, a municipality would be agreeing to buy all the energy that is generated from these systems on a current kilowatt basis at a rate that's discounted from the utility rate. She stated the municipality would not be responsible for owning, maintaining or monitoring the system, but rather that would be the responsibility of the Green Bank.

Ms. Basham highlighted why this arrangement might be attractive for a municipality. She noted essentially a town is agreeing to install these systems and get a lower electricity rate, so a town is locking in its electricity rate at a lower rate than the utility rate. She stated these are 20-year agreements, so over the 20-year term as utility rates continue to rise and a town's PPA rate stays fixed over that time period, a town's savings are increasing. She noted another benefit is that municipalities can take advantage of the federal tax credits that are available for these types of projects, so the Connecticut Green Bank, along with their private investor partners can capture that tax credit, and they can pass on those benefits through lower electricity rates. She pointed out there are no operations and maintenance costs, which gives a town peace of mind because these systems are Green Bank's responsibility to make sure they're running efficiently. She stated a town is only agreeing to buy what is generated, therefore, the Green Bank wants to be sure it is generating as they predict. She noted because Green Bank owns these systems, they will be providing all the upfront capital.

She stated the town of Coventry took advantage of the Green Bank Solar Power Purchase Agreement, and they have eight solar systems, and they have enjoyed this financing product and they are a great case study.

Councilor Szewczak questioned whether the Green Bank will take care of the removal or recycling of the solar panels when their useful life is done. Ms. Basham stated if a town is enjoying the generation and wants to continue the Power Purchase Agreement, there is an option to extend it five years, or a town could purchase the system outright at a fair market value price, or the Green Bank could remove the system. She noted she does not have too many details about panel removal because they have not reached the end of too many 20-year agreements yet.

Councilor Sferrazza questioned if once the town negotiates the power agreement and they agree on a price, would the town be locked into that price for 20 years, and Ms. Basham responded that's correct, these are fixed rates.

Councilor Sferrazza questioned what would happen if in future years Eversource rates were somehow lower than what was negotiated with the Green Bank, would the town still be locked in at the higher rate. Ms. Basham explained the 20-year rate that they determine is that they are looking at their cost to build the system and dividing that over the 20-year period, so they are fixing that rate to be paid back for their capital cost of constructing the system. She agreed that the rate would be locked in for 20 years regardless of the utility rate, but she would not anticipate utility rates declining over the next 20 years. She noted it is a standard industry practice to use a 3% escalator when determining energy savings, and she believes they use a little more conservative 2% assumption in utility rate escalation.

Mr. Dykes added the trend over time shows the rates steadily going up. He noted they typically won't start unless they can deliver at least a 10% discount from the current rate.

Councilor Sferrazza stated his understanding that whatever rate is negotiated when this goes into effect, regardless of what happens with utility rates state-wide if they should go down, the town will be locked in for 20 years, and Mr. Dykes responded that's correct.

Councilor Cekala questioned the shelf life of a solar panel, and Mr. Dykes stated the warranties from a manufacturer are typically at least 20 years, but if a solar panel needs to be replaced, the Green Bank will bear that cost.

Councilor Cekala questioned what would happen if they put solar panels on a building, and five years later it is discovered that building is no longer going to be used. She questioned what happens with those panels and what happens if they end the contract early. Mr. Dykes stated there would be a termination fee, and the amount of that fee would be dependent on how much time is left in the contract.

Councilor Cekala questioned the fee if a contract is cancelled ten years in, and Mr. Dykes stated he could come back with that information since the variables are so wide.

Councilor Cekala stated if solar panels were put on a building, or they constructed a canopy carport type of project, would Green Bank be looking to get to 100% of that building's electrical usage to be replaced by solar usage. Mr. Dykes stated they cap the amount of a building's usage that will go on the system at 85%.

Councilor Cekala questioned how much of the solar energy collected on those panels is going to go to that building versus how much is going to go to the grid. Mr. Dykes stated it depends on the building and how it is used. He noted solar panels produce electricity when the sun is out, so if it's a school when most of its usage is during the day and when school is in session, the power will be consumed on site, however, during the summer, the power will be put back onto the grid. He referred to an office building or town hall and stated usage patterns will be fairly steady, therefore, most of the power is being consumed on site. He pointed out it really doesn't matter whether a building uses the power or the power is put on the grid because when it is put on the grid, they can essentially bank that for when it is needed.

Councilor Cekala questioned if this means that 100% of that 85% is going to be used on a building, and Mr. Dykes responded from a billing perspective that's what he is saying.

Councilor Cekala stated her understanding this is a fixed rate for 20 years, and she questioned if there's anything that goes up each year as far as the fees that the town would be paying to the Green Bank. Mr. Dykes responded no and stated this is not like an electric bill where there are several different fees. He noted the purchase agreement is just the price for the electricity.

Councilor Cekala referred to an earlier mentioned tax credit and questioned whether the municipality see 100% of that tax credit or is Green Bank going to see some of that. Mr. Dykes stated Green Bank partners with private investors, and there's a particular type of finance built around those tax credits, and not 100% of the value is passed on, but some of that value is.

Councilor Cekala questioned whether Mr. Dykes can provide a percentage, and he responded he cannot.

Councilor Cekala questioned what happens if solar panels are put on a building and then roof repairs need to be made. She questioned who pays for the panels to come down and be put back up, and Mr. Dykes responded the town would have to pay that cost.

Councilor Bosco raised questions about the delivery rate. Mr. Dykes stated there are two types of charges on a municipal or commercial bill and one is what is billed by the kilowatt hour, which is how much is actually consumed, and the other is based upon demand. Councilor Bosco questioned how they pay on demand, and Mr. Dykes stated home bills are typically all kilowatt hours and municipal buildings involve kilowatt usage. He noted if there's solar panels on a municipal building, they will buy kilowatt hours from the solar system at a certain amount, therefore, they are avoiding purchasing the kilowatt hour from the utility. He noted if they purchase that kilowatt hour from the utility, they will pay whatever they charge for the electricity and delivery.

Councilor Bosco clarified they would be banking kilowatt hours, delivery charges and anything else that would be associated as a charge, and Mr. Dykes responded that's correct.

Councilor Hemmeler questioned what other towns Green Bank is working with, and Ms. Basham responded Branford, Bolton, Woodbridge, Groton, Portland, Manchester and Mansfield.

Councilor Muller questioned the difference between the state agency layout and the layout for municipalities. He noted Green Bank included all maintenance, and he questioned if access would be needed on a Sunday when town buildings are closed. Mr. Dykes stated they schedule maintenance during business hours. He noted this program grew out of what they were doing with the state, and they worked with the Department of Corrections, Department of Energy and Environmental Protection, Department of Administrative Services and Department of Transportation.

Chairman Ludwick questioned if this is just for government agencies, or can residents tap into this, and Mr. Dykes stated they are working on a similar program for the multi-family sector.

Chairman Ludwick stated if the town signed up for the 20-year deal, is there a way to open this up to residents and/or businesses. Mr. Dykes stated they have solar programs for homes, businesses, non-profits or any type of building in Connecticut.

Chairman Ludwick referred to the Eversource summer bill people received and questioned if there's some way to construct a green power plant where the town could work with Green Bank or federal loans, so the town could control the production. Mr. Dykes stated their program is geared toward building solar systems to power municipal buildings.

Chairman Ludwick stated his belief this is a great idea, but he feels it needs to be bigger where they can actually have residents and businesses benefitting. He noted if the town is going to benefit from solar energy, they would like residents and businesses able to do the same. He noted perhaps this can be discussed in the future. He stated if there was a solar power plant in Enfield, they could connect with surrounding towns and have a regional grid. He feels this needs to be broader than just municipal buildings.

Councilor Szewczak stated Green Bank came before the Facilities Committee, and she prefers going small before going big. She feels the big thing that Green Bank brings to the town is that they can do a full analysis of a site to see if it is a site where money can be saved while lowering the carbon footprint. She noted municipalities have benefitted from Green Bank as has Enfield from the previous programs.

Councilor Mangini agreed with Councilor Szewczak about starting small. She questioned if Green Bank could identify a building and if so, would there be a cost to the town to do so. She stated she'd like to see a draft of a contract and what the detail would look like.

Ms. Basham stated they would start with a desktop review of all the buildings that the town might be interested in and zeroing in from there, and they would work with stakeholders on the municipal side to get the green light all the way through. She noted they'd eventually come to the Council with a project proposal with no obligation and no cost. She stated they do have a template Power Purchase Agreement, which can be shared.

MOTION #5535 by Councilor Muller, seconded by Councilor Unghire to go into Executive Session to discuss Real Estate Negotiations and Pending Litigation.

Upon a **SHOW-OF-HANDS** vote being taken, the Chair declared **MOTION #5535** adopted 11-0-0, and the meeting stood recessed at 6:21 p.m.

EXECUTIVE SESSION

The Executive Session of the Enfield Town Council was called to order by Chairman Ludwick at 6:22 p.m.

ROLL-CALL – Present were Councilors Bosco, Cekala, Hemmeler, Kiner, Ludwick, Mangini, Muller, Riley, Sferrazza, Szewczak and Unghire. Also present were Town Manager, Christopher Bromson; Assistant Town Manager, Kasia Purciello; Town Clerk, Suzanne Olechnicki; Town Attorney, James Tallberg; Director of Finance, John Wilcox; Director of Public Works, Donald Nunes; Chief Technology Officer, Paul Russell

Chairman Ludwick recessed the Executive Session at 7:14 p.m., reconvened the Special Meeting at 7:15 p.m. and stated that during Executive Session, Real Estate Negotiations and Pending Litigation were discussed with no action or votes being taken.

ADJOURNMENT

MOTION #5536 by Councilor Muller, seconded by Councilor Mangini to adjourn.

Upon a **SHOW-OF-HANDS** vote being taken, the Chair declared **MOTION #5536** adopted 11-0-0, and the meeting stood adjourned at 7:16 p.m.